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training salesmen the costs to a manufacturer rather than to a jobber are used. The reviewer believes that the Institute should stick to its former policy and make each volume complete in itself.

Inasmuch as discounts—trade discounts, cash discounts, and special discounts—have come to play such a very important rôle in modern merchandising it does not seem to the reviewer that the author has given this subject true emphasis and proportionate treatment. One of the most commendable features of the book is the accentuation of how merchandising policy (as to price, competition, credits, and service) affects the details of the sales methods and of the sales system of the trade. The book contains excellent material on the internal organization of the jobbing house, on automatic buying control, and on coöperative jobbing. It fails, as probably every text must, to present in a distinguishing and perspicuous way the business of jobber, selling agent, factor, commission merchant, and broker.

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Trade Fallacies. A Criticism of Existing Methods and Suggestions for a Reform towards National Prosperity. By ARTHUR KITSON. With a preface by FRANCIS STOPFORD. (London: P. S. King & Son, Ltd. 1917. Pp. xi, 286. 5s.)

From December, 1915, to February, 1917, a series of articles appeared in the British magazine, *Land and Water*. The purpose of these articles was to educate the general reading public along the line of possible trade and monetary reforms. This material, revised and somewhat expanded, now appears in book form under the caption given above. The author, Mr. Arthur Kitson, is descended from a family of English manufacturers, and has himself, for more than thirty years, been actively engaged in manufacturing in both Great Britain and the United States.

The trade fallacies discussed in the book may be conveniently grouped for purposes of this review under four general heads: the gold standard, the English banking system, free trade, and *laissez faire* in industry.

The author holds that the gold standard as it works out in Great Britain is inimical to the industrial progress of the nation. It results in making the amount of currency available dependent upon a relatively small store of gold. Every community demands a certain amount of currency to effect its exchanges. In Great

Britain because of the Bank Charter act gold, at the best an expensive tool, must be used as a medium of exchange. Anything affecting the gold reserve of the nation reduces the amount of currency available for current transactions and seriously hampers business. The present antiquated system should be superseded by an issue of notes based on national credit which would meet all internal requirements for a medium of exchange. Besides this a gold fund of say £100,000,000 should be held by the government to meet international payments, and this fund should be administered in the interests of the whole country. As proof of the advisability of establishing a national paper currency he cites the success of the present temporary issue of £1 and 10s notes. The Bank Charter act, Gresham's law, and the Legal Tender acts are seriously censured. To complete the monetary reform, Mr. Kitson suggests that the decimal system should replace the present fractional system of coinage.

The banking system in England has gradually developed into a private monopoly headed by the Bank of England and ably seconded by the London joint-stock banks. This monopoly has been used to create profits for stockholders and to that end has loaned largely to foreign interests, especially German. British industry has suffered severely and either has failed on the presentation of adequate security to get accommodation or has obtained such accommodation at nearly ruinous rates. The basis of bank credit is gold. Now when the gold reserve appeared to be threatened the only method of protection was to raise the bank rate and every time this has been done it has proved a great hardship to home industry and often a positive disaster. Three suggestions are made for reform: a mutual or coöperative system of banking, a thoroughly democratic competitive system, or a complete national system. The author seems to favor the first.

The idea of free trade held by many, namely that of barter or an exchange of goods against goods, says Mr. Kitson, is all folly in these days. Free trade is not an exchange of the surplus produced in one country for the surplus produced in another, but rather an exchange of goods and services for money and credit. Such an exchange may mean financial dominance of one nation by another. Through shrewdness, cunning, and trickery one nation may obtain economic supremacy over other nations, especially the smaller ones. Because of the growth of trusts, big banking and financial houses, and other forms of concentrated economic power

a nation under free trade is at a disadvantage. In these days economic power often also means political power, and here we have the greatest danger to national life. There is no doubt but that theoretically free trade is advantageous and has worked for industrial progress within national boundaries, but because of the chauvinistic policies of some nations it will not work internationally. Thus to meet "the war after the war" it is argued that Great Britain should adopt measures of protection through tariffs and close trade agreements with her allies.

Laissez faire in industry like laissez faire in government has proven socially worthless. Industries governed by narrow self interest have not developed that degree of efficiency, especially toward labor, which an enlightened age demands. Due to the exigencies of war the British government, through an expert board of control, has taken over more than 4,000 plants employing between 2,000,000 and 2,500,000 people. The result has been most satisfactory in every way; the industries involved have prospered and the employees have been greatly benefited through higher wages and better treatment. Through judicious guidance, the government has preserved private initiative and at the same time has gained all the benefits of centralized control. The author maintains that this system should be continued after the war, for experience shows it has resulted in the equalization of industrial and labor conditions throughout the country, has made possible high wages, continuous employment, better treatment of labor, and, in general, great industrial prosperity.

The author has a lucid style which makes the book easy to read. He has refrained from indulging in technicalities, and because of the popular treatment of the various topics he has been able to touch only the most significant points. The trained economic reader would wish for a more extended discussion in many places. Those who are familiar with the controversy waged over greenbackism in this country in the early seventies will find some old acquaintances in the arguments raised in this book. Undoubtedly the sound money extremists and reactionaries would be highly scandalized at the outspokenness of Mr. Kitson.

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BELLET, D. *L'alimentation de la France et les ressources coloniales ou étrangères.* (Paris: Alcan. 1917. Pp. 249. 3.50 fr.)